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Supreme Court of the United States

October Term, 1947

No. 784

WHITIN MACHINE WORKS, a corporation,
Petitioner,

vs.

WILLIAM G. REYNOLDS, EDGAR A. TERRELL,
and THE TERRELL MACHINE COMPANY, a
corporation,

Respondents.

**PETITION FOR WRIT OF CERTIORARI TO THE UNITED
STATES CIRCUIT COURT OF APPEALS FOR THE
FOURTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.**

✓
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Respondents.

No.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE FOURTH CIRCUIT.

*To the Honorable the Chief Justice and Associate Justices
of the Supreme Court of the United States:*

Your petitioner prays that a writ of certiorari issue to review the decree of the United States Circuit Court of Appeals for the Fourth Circuit entered March 10, 1948, affirming a decree of the District Court of the United States for the Middle District of North Carolina. A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in compliance with Rule 38 of this Court.

Summary and Short Statement of the Matter Involved.

In 1944 respondents charged petitioner with infringement of two Reynolds patents, No. 1,738,796 dated December 10, 1929 and No. 2,238,659 dated April 15, 1941.

In 1945 respondents brought suit against petitioner in the Superior Court of Cabarrus County, North Carolina,

seeking to recover on a common law theory of misappropriation of the patent subject matter. The cause was removed to the Federal District Court for the Middle District of North Carolina and, having no other way of securing an adjudication of the patents themselves, petitioner counter-claimed for a declaratory judgment of invalidity and non-infringement of the two Reynolds patents.

At the trial, the individual respondents both admitted that there was no infringement of the *first* Reynolds patent. The District Court adjudged the common law cause barred by the North Carolina Statute of Limitations but held the *second* Reynolds patent valid and infringed. The United States Circuit Court of Appeals for the Fourth Circuit affirmed, both as to the statutory bar and as to validity and infringement of the second Reynolds patent.

The General Subject Matter.

In the manufacture of cotton yarn or thread, the raw stock is subjected to a series of preliminary operations, leading up to the conversion of the cotton into "sliver", which is a more or less ropelike length of loosely assembled fibers. In this sliver form, the cotton is ready for treatment in a roving frame.

From time immemorial, a roving frame has included at least two pairs of rolls, to which the sliver is fed. It goes through both roll pairs and, because the second pair rotates somewhat faster than the first, the sliver is subjected to a drawing or drafting operation, whereby it is attenuated. The sliver is also flattened, so that it emerges as a relatively wide, flimsy ribbon of fibers. Commonly, this attenuated sliver was then consolidated or compacted or restored to a more or less round form (of smaller girth than the original

sliver) to give it more strength and was then passed through a second and sometimes a third roving frame, the successive frames further drafting or attenuating the sliver just like the first. Finally, the sliver was fed to a spinning frame in which it was still further drafted and given a substantial twist to bring it to the form of thread or yarn.

It had been recognized long before Reynolds' first patent that certain manufacturing economies could be effected by combining in a single machine the successive drafts or drawings performed by the successive, individual, roving frames, with some mechanical means between drafts for "consolidating" or "reforming" the fragile ribbon to give it strength to withstand the succeeding draft or drafts. This combining of the operations in a single machine has long been known as multi-stage drafting in one process and the machines themselves as multi-stage or one process multi-stage drafting or roving machines. There are numerous examples of such machines in the prior art.*

Both of the Reynolds patents relate to this old idea of using a single machine, rather than separate machines, to impart successive drafts to a sliver, with some form of consolidating or reforming mechanism between drafts.

For convenience, the conventional nomenclature for the various roll pairs may be noted at this point. The custom is to refer to the first pair of rolls which the sliver enters (at the back of the roving frame) as roll pair 1; the next pair as roll pair 2 and so on, toward the front of the machine. In a machine combining two drafts, there are four roll pairs. The first draft is between roll pairs 1 and 2. Between roll pairs 2 and 3 the strand is reformed or consolidated; and

* Notwithstanding they clearly anticipate Reynolds, the prior art patents were condemned below as "abandoned experiments" and as "paper patents".

the second draft is between roll pairs 3 and 4. All of the foregoing long antedates Reynolds.*

The Two Reynolds Patents.

The mechanism of the *first* Reynolds patent comprised the known succession of roll pairs, alternating drafting stages and consolidating or reforming stages, but allegedly improved the older type of machine with respect to that part of it which effected the reforming of the strand between draft stages. Instead of using one of the prior art expedients (such as a funnel or tapering trumpet to bring the flattened ribbon of fibers into more compact form ready for the next draft), Reynolds' first patent incorporated a tongue and groove roll pair after each drafting stage. After the strand had passed through roll pairs 1 and 2 and had been drafted, Reynolds then passed the strand between the meshed tongue and groove of a special roll pair and thereby caused the edges of the strand to be folded over and in upon the body of the strand and condensed or consolidated ready for the next draft. The strand then passed through the next two pairs of rolls for a second draft, and so on.

The broad concept of successive draft stages with intervening consolidation being old, the patentability of the subject matter of Reynolds' first patent necessarily centered about the specific reforming means, namely, the tongue and groove roll idea. This patent, admittedly not infringed by petitioner, expired in 1946.

* For reasons irrelevant to the granting of this petition, and hence not discussed herein, the old multi-stage roving frames of the prior art had not achieved any great commercial success, although the Casablancas machine was admittedly successful commercially prior to Reynolds.

The mechanism of the *second* Reynolds patent (applied for five years after the *issuance* of the first) not only discloses the same old succession of roll pairs but also the identical reforming means of the first patent, namely, the tongue and groove rolls between draft stages. The machine of the second patent differs structurally from that of the first only in one particular, which difference has been conveniently called "cascading". What this means is that the strand follows a broken path similar to a series of steps or falls instead of a straight path as in the first patent. Structurally, "cascading" is brought about simply by mounting certain of the roll pairs at successively lower levels than those which precede them. Whether cascading constitutes a patentable invention is of no consequence because petitioner does not use it or its equivalent.

This second Reynolds patent is full of ambiguous generalities and its claims are couched in wholly functional and indefinite terms. But, notwithstanding the antiquity of multi-stage drafting machines and the truly minor character of the "improvement" of the second Reynolds patent over the first patent and other prior art, this second patent, by the decisions below, has been accorded a position such that it now virtually precludes the use of one process multi-stage drafting in the cotton industry except upon payment of tribute to the respondents. Although the first Reynolds patent expired in 1946, the second does not expire until 1958.

The Questions Presented.

The questions presented are whether the second Reynolds patent, No. 2,238,659, is valid and is infringed by the structure manufactured and sold by the petitioner.

Reasons Relied Upon for the Granting of the Writ.

The discretionary powers of this Court are invoked upon the following grounds:

1. **Virtual patent domination of an entire industry with no possible relief by way of conflict of decision.** The second Reynolds patent, as sustained and construed below, now dominates essential machinery and the use thereof throughout the entire cotton industry. The only two large manufacturers of such machinery, both New England corporations and using two entirely different mechanisms, both have been the object of adverse decisions by the same District Judge in North Carolina and by the Court of Appeals of the Fourth Circuit, with respect to this same Reynolds patent. The only other manufacturer, a small factor at best, is likewise amenable to process in the Fourth Circuit and has been threatened with suit.* Even if such third, small concern should be sued elsewhere, no conflict of decision could develop in time to relieve the situation with respect to the two major concerns, which, together, supply between 80 and 90 per cent of the cotton industry's needs. The validity and lawful scope of the second Reynolds patent are thus matters of wide public interest and importance.

2. **Conflict with decisions of this Court.** As respects the sustained "mechanism" claims, the decisions below are in conflict with and contrary to recent decisions of this Court: (a) in that such claims utterly fail to meet the requirements of R. S. 4888 and (b) in that they were inserted in Reynolds' application many years after the subject matter had gone into public use and over three years after the accused machines came on the market.

* The respondent patent owners, all located in the Fourth Circuit, have not been amenable to process elsewhere for the purposes of a declaratory judgment action.

The decisions below sustaining the "process" claims in suit are likewise in conflict with and contrary to the principles of decisions of this Court; but the upholding of the "process" claims furnishes the basis of the additional specific ground set forth in the next point.

3. An important question of patent law which has not been but which should be passed upon by this Court. The Courts below have sustained certain mechanical "method" or "process" claims (which differ from "mechanism" claims only by the omission of the phrase "means for" at the beginning of each step of the "method") as if they were not subject to the same requirements as to definiteness under R. S. 4888 as "mechanism" or "apparatus" or "combination" claims; and, in so doing, have not only accorded the claims in question extraordinarily broad scope, but have virtually exempted such claims from the requirements of R. S. 4888 as applied by this Court to apparatus, product and combination claims. It is petitioner's view that there is no legal sanction for applying any lower standard of definiteness to a "mechanical method" claim than to an apparatus claim and thereby, in effect, circumventing the now settled law applicable to "means" claims. A definitive ruling on the question by this Court is believed to be of great importance to the public to put a halt to such domination and of importance also to the lower courts at large, to the Patent Office and to the entire patent bar.

4. Unlawful extension of the patent monopoly. The aforesaid dominating position over the cotton industry has been accorded a patent which differs in minor details only from a patent to the same inventor (the first Reynolds patent) which is "prior art" thereto and has now expired. The monopoly of the sustained claims is vastly broader than any claim allowed in the first patent and will extend

the broadened monopoly for some twelve years beyond the original seventeen year grant of that first patent.

5. Improper application of the law as to infringement.

Petitioner is a manufacturer of machinery only. Concededly it has manufactured and sold the *machinery* held to infringe; but two of the sustained claims are directed to the art or method of manufacture as carried on only by the cotton mill purchasers of petitioner's machinery. For instance, one of the sustained claims is directed to a "*process of drawing fibrous material*" and another is for a "*method of cotton spinning*". Petitioner is not in the business of practicing and is not shown to have practiced the "process" or "method" of these claims. Such extension of "process" claims to dominate the manufacture and sale of *machinery* is believed to be in conflict with the spirit, if not the letter, of decisions of this Court.

In view of the dominating position which this second Reynolds patent now holds over the industry, the correct interpretation, and clarification if need be, of the applicable law of infringement is of considerable importance to the industry.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari be issued to the United States Circuit Court of Appeals for the Fourth Circuit to the end that this cause may be reviewed and determined by this Court; that the decree of the Circuit Court of Appeals for the Fourth Circuit be vacated and set aside; and that petitioner be granted such other and further relief as may be proper.

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April 29, 1948.

BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

The Opinions of the Courts Below.

At this writing the opinions of the Courts below are unreported but will appear in the Record, which is in process of printing at this writing and of which the page numbering is not yet available.

Jurisdiction.

Jurisdiction is invoked under Section 240 (a) of the Judicial Code (28 U. S. C. 347).

Statement.

The subject matter is outlined in the petition. In the interest of brevity, such additional facts as are necessary to be mentioned are incorporated in the ensuing argument in connection with the particular points to which they relate.

Specification of Errors.

The errors which petitioner will urge if the writ is granted are that the Circuit Court of Appeals for the Fourth Circuit erred in holding claims 15, 22, 25, 27 and 28 of Reynolds' Patent No. 2,238,659 valid and infringed.

Summary of Argument.

The points of the argument follow the reasons relied upon for the allowance of the writ and need not be repeated here.

ARGUMENT.

I.

No Relief Possible by Way of Conflict of Decisions Between Circuit Courts.

This ground has been recognized as warranting the exercise of the discretionary powers of this Court. *Scriber-Schroth Co. v. The Cleveland Trust Company*, 305 U. S. 47; *Mackay Radio & Telegraph Co., Inc. v. Radio Corporation of America*, 306 U. S. 86.

In the case at bar, between eighty and ninety percent of the needs of the cotton industry for machinery of the kind here involved are supplied by petitioner and by the only other large manufacturer in the field, Saco-Lowell Shops. While both of these companies are New England corporations, they both maintain branches or service establishments in North Carolina, incident to their supplying the needs of the cotton industry of the South.

Respondents first brought suit against Saco-Lowell Shops. The case was tried before Judge HAYES of the Middle District of North Carolina and his decision was affirmed by the Fourth Circuit Court of Appeals, 141 Fed. 2nd 587.

As appears from the opinion in that case, Saco-Lowell Shops had taken a license under Reynolds' *first* patent many years prior to the issuance of Reynolds' *second* patent, but the license was of such scope as to contemplate the inclusion of the second patent, when issued. Some years after they had taken that license, Saco-Lowell Shops com-

menced the manufacture of a quite different type of device and discontinued the payment of royalties. Charging that this device was subject to the payment of royalties under the broad agreement for a joint development of all of Reynolds' ideas, respondents brought suit on the contract against Saco-Lowell Shops.

As a licensee, Saco-Lowell Shops was estopped to deny validity and, of course, the action centered around the license agreement, but the Trial Court and the Court of Appeals went far outside of the issues and undertook to establish the validity of the second Reynolds' patent on a broad basis.

Having thus once succeeded in the Fourth Circuit, respondents initiated the present suit in North Carolina and it came to trial before the same District Judge, whose decision was again reviewed by the Fourth Circuit Court of Appeals. Not being a licensee, petitioner was at liberty to challenge the validity of Reynolds' second patent, but the opinion of the Court of Appeals was but an echo of the opinion it had rendered in the suit against Saco-Lowell Shops.

The all important issue here as to the invalidity of the claims in suit for failure to comply with the requirements of R. S. 4888 received scant attention. The opinion of the Court of Appeals reiterated much of its earlier opinion in the *Saco-Lowell* case, notwithstanding the fact that the issue of indefiniteness was not and could not have been tried out in that case.

Thus, these two concerns which supply virtually all of the machinery of the kind involved, have both come under the domination of the second Reynolds patent by virtue

of these two decisions of the same trial Judge and of the same Circuit Court of Appeals.

The remaining small percentage of the machinery affected which is not made or sold by petitioner or by Saco-Lowell Shops, is manufactured by Howard & Bullough Company. That concern makes and sells a still different form of device, but in the course of the trial of the case at bar, the respondent-inventor Reynolds charged that such still different device was also an infringement of his patent and said that suit would be brought when the instant case was disposed of.

Howard & Bullough Company is also amenable to process in the Fourth Circuit; but it is obvious that whether brought there or elsewhere and regardless of its outcome, a suit hereinafter brought against Howard & Bullough Company cannot lessen the effect of the decisions already rendered against Saco-Lowell Shops and petitioner, and hence cannot free the industry's major sources of supply and the public from the patent domination already established.

In these premises, it is believed that an unusually strong case exists for the exercise of the discretionary powers of this Court, to the end that it may review the question of validity and the scope of the second Reynolds patent.

II.

Conflict With Decisions of this Court.**(a) Failure to comply with R. S. 4888.**

This Court has had occasion to emphasize that a patent is necessarily invalid unless it comply with the requirements of R. S. 4888.* *Halliburton Oil Well Cementing Co. v. Walker*, 329 U. S. 1; *United Carbon Co., et al. v. Binney & Smith Co.*, 317 U. S. 228; *General Electric Co. v. Wabash Appliance Co.*, 304 U. S. 364.

Not only must the patent specification be in "full, clear, concise and exact terms" and explain the subject "so as to distinguish it from other inventions", but also the inventor must "particularly point out and distinctly claim" what he claims as his invention or discovery.

The above-cited decisions make it abundantly clear that these essential statutory requirements are not satisfied when the language employed by the patentee, particularly in his claim, is "vague", "indefinite" or "functional", either in whole or "at the exact point of novelty".

* The pertinent parts of the statute (U. S. C. Title 35, Sec. 33) read as follows:

"Before any inventor or discoverer shall receive a patent for his invention or discovery, he * * * shall file in the Patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same; and in case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions;" and "he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery."

In the *Halliburton* case (*supra*) this Court had occasion to expose the vice and the hazards to the public of such failures to comply with the statute in connection with the so-called "means" type of claim, in which the patentee claims his invention as consisting of "means for" followed by a statement of function; or, as this Court phrased it, "in terms of what it will do rather than in terms of its own physical characteristics".

The extent to which the decision below runs counter to the above pronouncements of this Court needs no demonstration beyond the quotation of a typical sustained claim, viz., claim 25, which, for more ready analysis, we separate into its component elements, as follows:

Claim 25.

1. Mechanism for drafting fibrous material in strand form having in combination [old]
2. means for drawing the strand, [old]
3. pairs of driven opposed rolls propelling the strand, [old]
4. (a) means acting on the strand intermediate its extent from the nip of one of such pairs to the nip of the next succeeding pair thereof [old]
 - (b) to fold the strand longitudinally inward upon itself so that the fibers which lie at the lateral margins of the strand as the latter passes the first of such pairs of rolls are continuously shifted to occupy a position intermediate the width of the strand as the latter passes the succeeding pair of rolls,
 - (c) the latter pair of rolls propelling the strand at a faster rate than the first of such pairs [old]
 - (d) to take up the slack in certain portions of the cross-section of the strand incident to folding but without effecting any material draft of the entire width of the strand.

This, it will be noted, is a mechanism or apparatus claim and "elements" 1, 2, 3, 4(a) and 4(c) were all old even prior to Reynolds *first* patent. Element 4(b), in this very combination, was disclosed in Reynolds now expired *first* patent. If there is any novelty at all in this claim it hangs on "element" 4(d), which, indisputably, is not even for means but is a *wholly functional* characterization. There is not the slightest suggestion of novel structure but only a statement of allegedly novel function. Any mechanism, no matter how constructed and whether bearing close or no resemblance at all to the patent disclosure, would of necessity fall under the domination of such a claim provided only that it performed the stated functions or produced the same result.

This is precisely the type of claim condemned in the *Halliburton* case, in which the supposedly novel "means" was characterized merely as

"associated with said pressure responsive device for tuning said receiving means to the frequency of echoes from the tubing collars of said tubing section to clearly distinguish the echoes from said couplings from each other."

The two other sustained mechanism claims (27 and 28) are of the same type and exhibit the same characterization of the mechanism "in terms of what it will do rather than in terms of its own physical characteristics".

In spite of the foregoing, and without any discussion of the herein cited authorities, the decision below disposed of the subject of indefiniteness of the mechanism claims in two sentences, as follows:

"The contention is made that the claims are invalid because they do not distinctly claim the inven-

tion as required by R. S. 4888; but this contention is without merit, as an examination of the claims heretofore quoted amply demonstrates. We think that the claims are sufficiently specific; but, even if this were not true, the court would construe them in the light of the specification and drawings to save a meritorious patent." *

Possibly, as in *United Carbon Co., et al. v. Binney & Smith Co. (supra)*, the Fourth Circuit Court of Appeals was again led astray by a misleading semblance of commercial success sought to be attributed to the second patent. That such success was not proven is amply demonstrable, although not proper to be argued here; but even if it existed, commercial success clearly could not serve as a substitute for compliance with the inflexible requirements of R. S. 4888. "To sustain claims so indefinite as not to give the notice required by the statute would be in direct contravention of the public interest which Congress therein recognized and sought to protect." *United Carbon Co., et al. v. Binney & Smith Co.*, page 233 (*supra*).

The conflict between the decision below and the controlling principles of the decisions of this Court in the cited cases is believed to be so flagrant as to warrant the issuance of the writ [Rule 38, para. 5(b)] and especially so in view of the established domination of the industry by this patent, which domination will continue for some twelve years more, to the great damage of the public, in the absence of a corrective decision by this Court.

* Nowhere is there any attempt by the Court below to point to anything in the specification (or drawings) which could possibly shed such light as to avoid the plainly functional character of these mechanism claims.

(b) Belated Insertion of Claims.

While secondary to the point of indefiniteness of all three of the sustained mechanism claims, it is to be noted that two of these claims, viz., claims 27 and 28, were inserted in the patentee's application too late, under the settled law. They both relate to what has been termed a stationary form of the device, which is the type of the accused machine.

The application for the second Reynolds patent was filed July 23, 1934, but the applicant made no claim whatsoever to any stationary form of device until more than five years later, viz., in December, 1939, when these two claims 27 and 28 were put into the application. This belated expansion of the claims took place not only five years after the application had been filed, but three years after the industry had started to use the accused "stationary" device. They were admittedly added to cover the devices which had since come into use.

The sustaining of such claims, it is believed, is contrary to the principles of such decisions of this Court as *Railway Co. v. Sayles*, 97 U. S. 554, and *Webster v. Splitdorf Co.*, 264 U. S. 463.

Although the Court of Appeals rejected petitioner's contention in this regard, its decision suggests that it did entertain some doubt, saying: "even if claims 25 to 28 are disregarded, plaintiff is entitled to relief under claims 15 and 22" (the method claims).

It is petitioner's view that if the mechanism claims 25, 27 and 28 are bad, as petitioner contends, they should be so declared and they should not be imposed upon this vital industry as an appendage to or under the aegis of the "method" claims.* The industry and the public at large are entitled to "know what part of the field is unoccupied". *Halliburton case (supra)*.

* The method claims, 15 and 22, are discussed below under Point III.

III.

Important Question of Patent Law.

The question is whether mechanical method claims, which are even more "vague", "indefinite" and all-embracing in scope than the "means" type of claim condemned in the *Halliburton* and other cases, *supra*, are subject to the requirements of R. S. 4888. The importance of this question to the particular industry here affected and to the public at large is believed to merit the attention of this Court [Rule 38, para. 5(b)].

In the *United Carbon* case (*supra*), this Court stated (p. 237):

"Whether the vagueness of the claim has its source in the language employed or in the somewhat indeterminate character of the advance claimed to have been made in the art is not material. An invention **must** be capable of accurate definition, and it **must be** accurately defined, to be patentable. Cf. *General Electric Co. v. Wabash Corp.*, *supra*".

The rule thus stated has been applied to "composition" claims (as in the *United Carbon* case) to "product" claims (as in the *General Electric* case) and to "apparatus" claims (as in *Permutit Co. v. Graver Corporation*, 284 U. S. 52).

In the *Halliburton* case, the Ninth Circuit Court of Appeals sought to carve out an exception to the rule in favor of "combination" claims, but the notion that any such exception was permissible was flatly rejected by this Court.

In the case at bar the decision below would sanction another kind of exception, viz., in favor of a mechanical method claim.

It is petitioner's view that a claim of this character, such as claim 15 or claim 22 in suit (the only "method" claims involved) exhibits all of the vices of the functional "composition", "product", "apparatus" and "combination" claims heretofore condemned as failing to satisfy the statute and is an even greater barrier to progress and further development than the other types of claims and hence is just as contrary to the public interest as are those other types of claim. It is but the same contrivance in a slightly different guise.

Thus, where the apparatus type of claim, such as claim 25, is introduced by the phrase "Mechanism for (drafting fibrous material in strand form, etc.)" the mechanical method type of claim, such as claim 15, calls merely for "The process of (drawing fibres arranged in strand form, etc.)"; and throughout the so-called method claim the words "means for" are simply omitted.

In the left-hand column below, claim 15 is set out as it is worded in the patent; and in the right-hand column are

indicated the necessary substitute words to convert the "method" claim to a mechanism type of claim:

Claim 15

The process of	Mechanism for
drawing fibrous material arranged in strand form	(drawing fibrous material etc.)
which includes	means for
giving the strand a substantially uniform thickness throughout its width before drawing,	(giving the strand etc.)
then	means for
drawing the strand,	(drawing the strand)
and thereafter	and means for thereafter
restoring the strand to uniform thickness throughout its width,	(restoring the strand etc.)
and	and means for
holding the strand from vertical and transverse expansion throughout substantially the entire portion of its length following the said drawing and preceding the said restoration of uniform thickness.	(holding the strand etc.)

It has been shown that a claim comparable to the one set out in the right-hand column would (like claim 25, discussed under Point II) clearly be bad for the reasons emphasized in the *Halliburton* and other cases (*supra*). Obviously the claim becomes broader and even more vague and indefinite by dubbing it a "process" and omitting the words "means for" at the introduction of each phrase. In fact these so-called method or process claims are noth-

ing but statements of function of the machine and are not proper method claims at all.

If the use of such claims were sanctioned, it would obviously short circuit the intent of the Constitution and of the Congress, as evinced by the statute and by the decisions of this Court. The time has now come, it is submitted, when the lower courts should be apprised of the fact that there is no more justification for exempting such "method" claims from the operation of R. S. 4888 than there was for exempting the "means for" combination claims of the *Halliburton* case.

The Court below did not discuss the subject.* The Court of Appeals contented itself by adding to the two sentences quoted above (p. 15) the statement that: "In addition to claims covering the machine of the invention, Reynolds was entitled to the broad process claims covering the process which he had discovered, without reference to specific instrumentalities". What the Court failed to recognize was that what it referred to as the "broad process claims" (claims 15 and 22) are no more than wholly functional mechanism claims in disguise.

As stated above, the question of the legality of claims of this character is important not only to the industry affected by the particular patent here involved, but also to all industry.

* The Trial Court, which likewise made no mention whatsoever of the decisions relied upon by petitioner, prefaced its opinion with these remarks:

"This is a very complicated case and the most skillfully contested patent case which has confronted this court. Every inch has been hotly contested by brilliant counsel who have injected into this case virtually the entire works of patent law. It presents a striking example of a branch of federal court jurisdiction which should be set apart exclusively for determination by a court of competent patent experts instead of leaving it to judges who like myself are utterly devoid of mechanical skill and therefore unable to bring to the solution of the case the skill essential to the broader and better decision."

IV.

Unlawful Extension of the Patent Monopoly.

Long prior to Reynolds, the art had recognized and many patents had disclosed that economies could be effected by uniting in one machine the successive pairs of rolls for making two or more drafts with reforming means between drafts.

Even at the time of Reynolds' first patent (1929), it was already too late to secure a broad patent on such an arrangement as consolidating the means for two or more drafts into one machine. Hence the first Reynolds patent, which fully disclosed such an arrangement, was properly confined in its claims to machines incorporating the particular kind of reforming or consolidating device which Reynolds proposed, viz., a tongue-and-groove roll pair.

The second Reynolds patent was not applied for until 1934, or five years after the **issuance** of the first Reynolds patent and did not issue until 1941. As pointed out in the petition, the first patent discloses the same combination of parts as those disclosed in the second patent. The "method" of the first patent is identical with that of the second. The machine of the second patent differs from the machine of the first patent in one minor structural feature only, viz., the cascading or stepped arrangement of the roll pairs (which is not used by petitioner or by Saco-Lowell Shops).

Nevertheless the claims allowed in Reynolds second patent and, in particular, the claims which have been sustained herein, are of vastly broader scope than anything contained and properly allowable even at the time of the issuance of Reynolds first patent. These broader claims of the second patent of necessity are functional. If they had

been limited to the structural difference from the prior art first patent there could be no infringement because the accused machines do not utilize that difference.

It is clear also that the claims of the second patent are for exhausted combinations and should be condemned for the reasons stated in *Lincoln Engineering Co. v. Stewart Warner Corp.*, 303 U. S. 545 and *Bassick Manufacturing Co. v. R. M. Hollingshead Co.*, 298 U. S. 415.

The character of the sustained claims has been discussed under Points II and III above and we merely point out here that the enlarged and extended monopoly is the direct result of the sustaining of claims of the wholly functional character indicated. It is a striking illustration of what this Court characterized in the *Halliburton* case as the hazards of carving out exceptions to the requirements of R. S. 4888.

It is believed that the situation presents such an unconscionable and protracted monopoly as to supply a further ground for review by this Court.

V.

Improper Application of the Law as to Infringement.

As already stated, two of the five claims in suit are in the form of process or method claims and have been sustained as such.

Petitioner is a manufacturer of textile machinery. The claimed process is one performed only by cotton mills.

No explanation has been advanced by respondents nor can any be found in the decisions below as to the theory upon which these claims can be said to have been infringed

by petitioner's manufacture and sale of machinery. If the theory is one of so-called contributory infringement, the Courts below have not so stated.

As the Court will recognize, the holding by the Court of Appeals that respondents are entitled to relief under the method claims "even if claims 25 to 28 are disregarded" makes it particularly important to determine not only the validity but also the practical limits of these *method* claims.

In view of the decision of this Court in *Mercoïd Corporation v. Mid-Continent Investment Co., et al.*, 320 U. S. 661, and to the end of determining whether the mere manufacture and sale of machinery is to continue for the next twelve years to be dominated by these *method* claims of the second Reynolds patent, it is urged that the Writ be issued and the case reviewed by this Court.

Conclusion.

In the premises, it is earnestly urged that the petition be granted.

Respectfully submitted,

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W. H. HOLDERNESS,
Counsel for Petitioner.

April 29, 1948.

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CHARLES ELMORE CROPLE

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Supreme Court of the United States
October Term, 1947

No. 784

WHITIN MACHINE WORKS, a corporation,
Petitioner,

vs.

WILLIAM G. REYNOLDS, EDGAR A. TERRELL,
and THE TERRELL MACHINE COMPANY, a
corporation,
Respondents.

**PETITIONER'S REPLY TO RESPONDENTS' BRIEF
OPPOSING THE GRANT OF THE WRIT.**

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NEWTON A. BURGESS,
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Supreme Court of the United States

October Term, 1947

WHITIN MACHINE WORKS, a corporation,
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Respondents.

No. 784

PETITIONER'S REPLY TO RESPONDENTS' BRIEF OPPOSING THE GRANT OF THE WRIT.

Respondents resort to the familiar device of referring repeatedly to the findings as if this Court were precluded by them. The simple fact is, of course, that the grounds on which the petition is based involve the correct application of the *law*.

However, in view of the tenor of respondents' brief, petitioner believes that this Court should be enlightened regarding the state of the record below and the proceedings there regarding it.

At the outset of the argument in the Court of Appeals the Presiding Judge informed petitioner in no uncertain terms that its printed record was too large, that the Court simply would not take the time to read it, and that a record of such size was in violation of the rule of the Circuit.* Re-

* What the rule in question requires is "An appendix (or supplement to the brief) which, in addition to what is set out in section 1 above, shall contain such parts of the record material to the questions presented as the appellant or petitioner desires the court to read." Believing that in so doing it was complying with the rule, petitioner had submitted a printed record incorporating less than 600 pages of testimony out of the more than 1200 which comprised the trial record.

spondents, it appeared, had received previous notice of what the Court's attitude would be, because at the opening of the session on the day of the hearing respondents submitted an already printed, abridged version of its record. Faced with the prospect of having no record before the Court, and in complete ignorance of how much of a record it could submit with any prospect of its being read, petitioner hastily prepared and filed a second printed record boiled down to a meagre one hundred pages, omitting a considerable amount of the cross examination of Reynolds and the co-owner of the patent, which petitioner had thought the Court of Appeals should read. Obviously, petitioner has no way of knowing just what record the Court of Appeals did read, or to what extent petitioner suffered by the involuntary curtailment of the testimony.

The following brief remarks concerning respondents' discussion of the five grounds on which the writ is sought are believed to merit attention:

I.

Having conducted their campaign so that no relief is possible by way of conflict of decisions, respondents now seek to avoid the force of this ground by contending that the patent monopoly dominates only a part of the cotton textile machine industry. Petitioner is proceeding in the belief that the exercise of the discretionary powers of this Court is called for when, as is indisputably the fact here, the public finds itself in a position where the only two large sources of supply of machinery much in demand and of importance to the textile industry have fallen under the domination of a single patent which has been so manipulated as to confine the litigation to one circuit only.

II.

As to failure of the patent to comply with U. S. 4888, it is noteworthy that even at this juncture respondents fail to enlighten this Court as to the nature of the supposed invention except in terms of such meaningless generalities as "new principles" (p. 4), "control" (p. 5), "the underlying principle of control" (pp. 5, 6), "the Reynolds principle" (p. 14), and "new concepts" (p. 18)—all without the slightest reference to any kind or construction of mechanism. That is precisely the vice of the claims in suit.

Respondents argue that avoidance of twist is important but that was exactly what the *first* (expired) Reynolds patent taught; and besides, there is no evidence that it makes a whit of difference in the method or the final product. It is another phantom and is not in the claims.

Claim 25 is now said to be "for a combination of elements (1) to fold the sliver, and (2) to take up the slack in portions of the cross-sections of the sliver occasioned by the folding." As to what these "elements" comprise respondents' brief is necessarily silent, because reference to claim 25 (quoted at p. 14 of the petition) shows that they are characterized solely as "means".

The Court of Appeals took the view that "even if [mechanism] claims 25 to 28 * are disregarded, plaintiff was entitled to relief under claims 15 and 22" (the method claims). Respondents, on the other hand, now advise this Court (p. 21) that nothing would be accomplished by any inquiry concerning the *method* claims because "the holding of the Circuit Court to the effect that respondent [sic] infringes mechanical claims 25, 27 and 28 would stand." Thus, the mechanical claims are the prop which supports the method claims, and at the same time the method claims are the prop which supports the mechanical claims. The need for the intervention of this Court is surely indicated.

* Claim 26 was not in suit.

III.

Under this point number we find no answer to the third ground of the petition. The obvious violation of the statute by these "mechanical-method" claims is indeed of great importance to the public and consideration of them, we believe, will not be ruled out by respondents' mere assertion (p. 17) that "There is no such question in the case."

IV.

The Court will not fail to note the meaningless generalities (p. 18) again used to characterize what the second Reynolds patent is supposed to have added to the first, namely, "two new concepts with practical means for using them"; "new concepts and means [which] convert failure into success"; and "they are covered by process and mechanical claims in the second patent".

V.

As to whether proof of sale of a machine is acceptable as proof of use of the process which the machine is designed to perform, we are informed now (p. 20) that respondents are relying in part upon some novel presumption, and more importantly, upon "evidence to the effect that petitioner actually *used* the infringing device for the purpose of making cotton roving". In support of this and the following assertion (that petitioner "operated the infringing device for the purpose of making cotton roving at J. & P. Coats for a time") respondents even supply a record reference, namely, 2 App. 351.

If the Court will turn to this reference, it will find it to be to a memorandum by an employee of petitioner referring to the then recent completion and erection of certain experimental roving frames. However, what the Court will

also observe is that the memorandum in question is dated May 13, 1936, or *five years before the patent in suit issued*. It is utterly fantastic that this or any other Court should be told that experimental use of a machine in 1936 is "evidence" of infringement of a patent which did not issue until five years later, in 1941; but such is the contention which respondents advance.

Further ignoring the law, respondents also urge (p. 21) that "it is better, as a practical matter, to hold the manufacturer responsible at the source * * * than to compel respondents to sue all the mills that purchase [and actually use] such machines." Of course it is more "practical", from respondents' point of view. That is precisely the scheme which has enabled respondents to avoid any possibility of conflict of decisions between circuits. And at that the respondents did not pursue the manufacturers "at the source" (the Whitin machine being manufactured in Massachusetts and the Saco-Lowell machine in Maine), but secured jurisdiction over service branches of Whitin and Saco-Lowell by way of the North Carolina court. It is asking too much to believe that this strategy was contrived and twice followed other than for the express purpose of keeping the patent "at home".

Conclusion.

The granting of the writ is earnestly solicited.

Respectfully submitted,

NEWTON A. BURGESS,
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Counsel for Petitioner.

May 27, 1948.

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CHARLES ELMORE

Supreme Court of the United States

October Term, 1947

No. 784

WHITIN MACHINE WORKS, a corporation,
Petitioner,

vs.

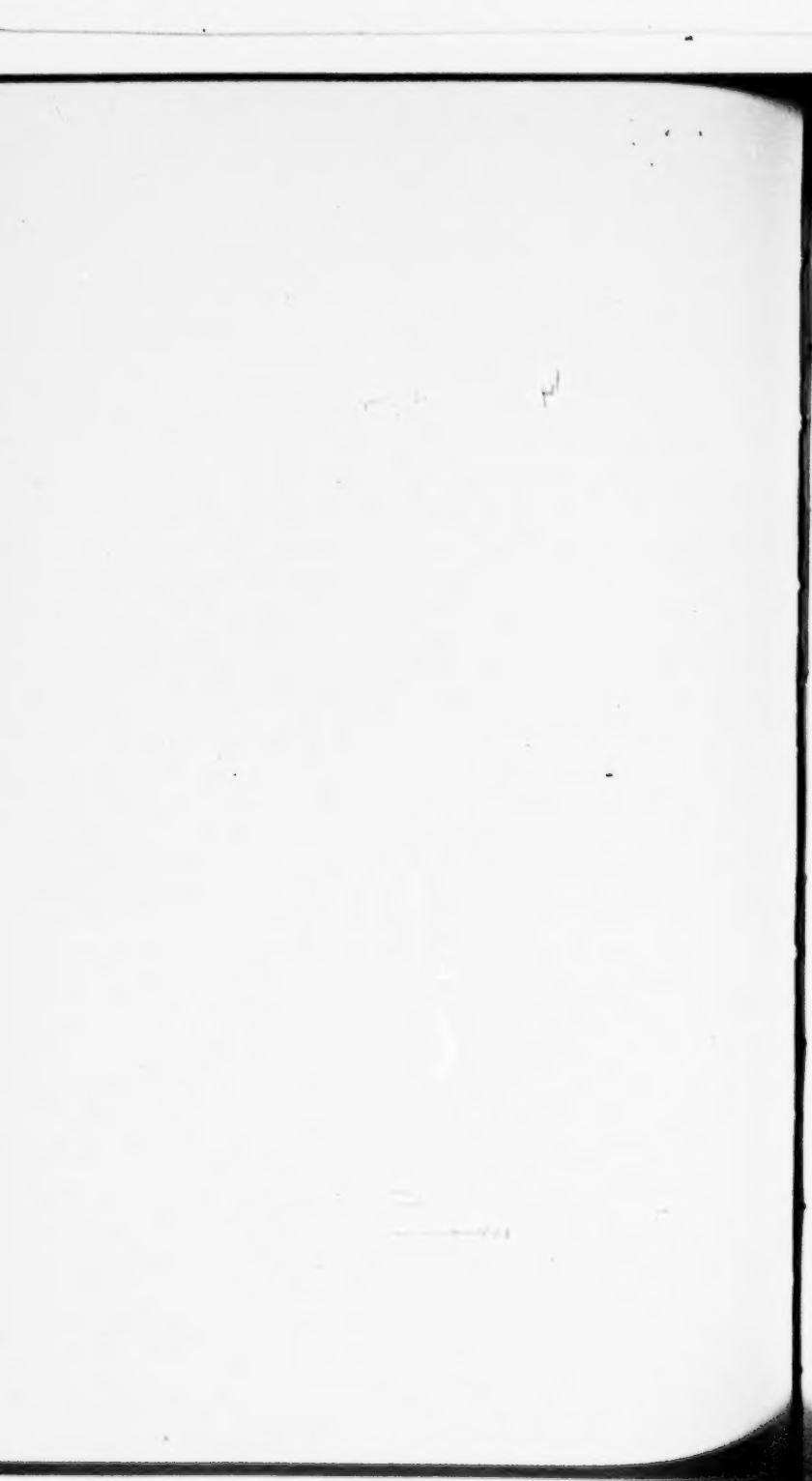
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Respondents.

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Supreme Court of the United States

October Term, 1947

WHITIN MACHINE WORKS, a corporation,
Petitioner,

vs.

WILLIAM G. REYNOLDS, EDGAR A. TERRELL,
and THE TERRELL MACHINE COMPANY,
a corporation,
Respondents.

No.

Brief For Respondents

STATEMENT OF THE CASE

Proceedings in the Lower Courts

The portion of the case upon which petitioner seeks review by certiorari arises upon the petitioner's counter-claim for a declaratory judgment upon the question of validity and infringement of patents owned by the plaintiffs (1 App. 19-21).*

* References in this brief are as follows:

R.—Refers to the Record of the Proceedings in the United States Circuit Court of Appeals printed in connection with the Petition for Certiorari.

1 App.—Refers to the Appendix to the brief of the plaintiffs appellants in the United States Circuit Court of Appeals filed pursuant to stipulation. (R. 22).

2 App.—Refers to the Appendix to the brief of the plaintiffs—appellees in the United States Circuit Court of Appeals for the Fourth Circuit, filed pursuant to Stipulation. (R. 22).

DA I.—Refers to volume I of the Appendix to the brief of the defendant appellee and cross-appellant in the United States Circuit Court of Appeals filed pursuant to stipulation (R. 22).

DA II.—Refers to volume II of the Appendix to the brief of the defendant appellee and cross-appellant in the United States Circuit Court of Appeals filed pursuant to stipulation (R. 22).

The case was tried without a jury and the District Judge found the facts (1 App. 29-47). In the course of the trial the first Reynolds patent was eliminated from consideration. The trial court adjudged the second Reynolds patent, No. 2,238,659 valid and infringed. The claims Nos. 15, 22, 25, 27 and 28 specifically dealt with are copied in full in the opinion of the Circuit Court of Appeals (R. 10-11).

The first Reynolds patent, No. 1,738,796, appears in the record, (DA II. 619, et seq.). The second Reynolds patent appears in the record (DA II. 624, et seq.).

On appeal to the Circuit Court of Appeals for the Fourth Circuit, the judgment of the District Court was affirmed and the opinion of the Circuit Court is printed in the record (R. 3-20). As will be seen from that opinion, the Circuit Court of Appeals had previously considered the same patents in the case of *Saco-Lowell Shops v. Reynolds*, 141 Fed. (2d) 587. This case and the *Saco-Lowell* case were tried by the same District Judge, and both the District Court and the Circuit Court of Appeals for the Fourth Circuit have given the patents in question the most careful consideration, as will appear from their opinions in the record before this Court.

Petitioner's Statement Not Acceptable

The petitioner's statement of the case is not acceptable to the respondents, because:

1. It omits essential facts, and
2. It contains statements in direct conflict with the findings of the lower courts, which findings are fully supported by the evidence. It therefore devolves upon the respondents to make a brief statement of the facts with references to the record, in the course of which some of the inaccuracies in the petitioner's statement will be mentioned.

The Ownership of the Patent in Suit

The plaintiff Reynolds, the inventor of the process and machines of the two Reynolds patents here involved, is a practical mill man, who has spent his active life first in working in various cotton mills and, secondly, from 1923 to 1934, working continuously on the inventions in suit. (Finding of Fact No. 1, 1 App. 29) To obtain financial help and technical assistance, he assigned a half interest in his invention to his co-plaintiff. (Finding of Fact No. 2, 1 App. 29)

State Of The Art Prior To Reynolds Invention

The petitioner deals with this subject under the heading "The General Subject Matter" beginning on page 2 of the printed petition. In doing so, the petitioner omits to point out that all commercial roving machines, prior to the invention of Reynolds, employed twist, and that Reynolds deals throughout with an untwisted strand. The conventional system of roving is described in the District Court's Finding No. 3, (1 App. 30). The only commercial roving system taking two material drafts on a single machine, other than that of Reynolds, up to and including 1935, was the so-called Casablanco system, using a twister head for consolidating the strand for a succeeding draft. The first of these machines was placed on the market in December, 1934. (See Finding 39, 1 App. 42). The Court there found that the Reynolds system is based on reforming without twist and is not similar to the Casablanco system. As admitted by the defendant, the conventional system employed a twist at the end of each process, and then required another machine for a succeeding draft.

The petitioner, on page 3 of the petition, in a footnote, makes the broad statement that prior art patents "clearly anticipate Reynolds". The District Court found, (1 App. 41 and 42, Findings 37 and 38) the exact opposite. The Circuit Court of Appeals

came to the same conclusion, quoting its prior opinion in the Saco-Lowell case, with reference to the old patents cited there, and then examining carefully the additional prior art patents cited in this case and not cited in the Saco-Lowell case. (R. 11-14)

Aside from the Casablancas machines using a false twist, the other efforts in multi stage drafting in one process prior to Reynolds had been unsuccessful, and had been principally along the line of a simple condensing of the strand in an attempt to consolidate it for a succeeding draft.

It is clear from the evidence that none of them had proposed folding the strand as did Reynolds. The trial court expressly found, on ample evidence, that none of the prior art involved the two new principles of the second Reynolds patent hereinafter discussed. (See findings 37 and 38. 1 App. 41-42)

The Reynolds Invention And The Two Reynolds Patents

The plaintiff Reynolds conceived the idea of re-forming the strand without twist by a folding operation, and after working from 1923 to 1927 on this idea, applied for his first patent involving a machine with tongued and grooved rolls to fold a strand in preparation for a second draft, on the same machine. Illustrations of this machine will be found in the drawings of the first patent (DA. II, 619.) It is important to note that the rolls on this machine are all on the same plane and that the strand travels through them in a straight line. The machine had no provision for controlling the tendency of the strand to expand and disintegrate while being folded. This tendency is a fact on which there was no controversy. It is stated in Finding 5 (a) (1 App. 31.) Nor was there any provision in the first patent against the development of a fullness in a portion of the cross section of the strand incident to folding. The fact that such a fullness developed is covered by the Court's Findings 5 (b) (1 App. 31)

After experimenting for some six years more and studying the problems just stated, Reynolds found the answer to both problems and this discovery of his constitutes the invention of the second patent.

As shown by the patent, it involved both a process and mechanism to practice the process. See Patent DA II, 624 et seq. The findings of the Court as to what was involved in the way of new principles in this invention are Findings No. 6 and No. 7. Concepts b and c, set out in Finding 6, which have been briefly referred to as "control" and "take up" constitute the new principles of the second patent. The mechanism used in the beginning, as set out in Finding No. 9, (1 App. 32) was a tongued and grooved roll arrangement wherein the rolls of the second drafting stage were set on a lower plane than those of the first drafting stage. This is illustrated in Figure I of the second patent at DA II, page 624. The specifications expressly disclosed the object of control to be gained by cascading. (The patent, P. 1, Col. 1, lines 23-55; DA II. 627).

At pages 4 and 5 of the petition for certiorari, the petitioner refers to this offset relation of the rolls as cascading; does not mention the underlying principle of control; asserts that the improvement lies solely in the mechanical manifestation of cascading the rolls, and then characterizes this as a truly minor improvement. It makes the unqualified statement that the petitioner "does not use it (cascading) or its equivalent." This is contrary to the evidence and the findings of both of the lower courts. The District Court's Finding, No. 31, quoted in full by the Circuit Court of Appeals (R. 15) is to the effect that the petitioner, in its device, uses the equivalent of cascading of the rolls. In other findings (1 App. 40-41; Findings 34-34a), the Court also found that the petitioner's machines, as commercially installed, practiced the process of the Reynolds' invention and infringed the process claims.

When the petitioner was developing its infringing device, it did not consider the improvement minor nor merely structural as is amply evidenced by its improvement records (2 App. 348-350) where the object of its improvement was stated to be to "effectively put the roving under control" and "to prevent the spreading of the fibers" between drafting fields; and by its advertising matter (2 App. 8-13) emphasizing the control of the fibers accomplished with its device and hailing it as "a major development in the textile art". (Top 2 App. 11)

The District Court's finding No. 8, (1 App. 32) characterizes the Reynolds invention as a distinct forward step in the progress of the art. That it was the improvements of the second patent over the first that brought success is covered by the Court's findings 5 to 7 (1 App. 30-32).

But both Saco-Lowell and Whitin had more information from Reynolds than the cascading of the rolls, and the second patent included additional disclosures of a specific nature.

While at Saco-Lowell Shops Reynolds had made a stationary grooved member to replace the grooved roll in the original mechanism; discussed this with Vice-President Banfield (later employed by Whitin) and included reference to it in the specifications of the second patent. (Finding 14; 1 App. 34) (And see the patent P. 4, Col. 1, lines 50-53. DA. II 630).

This stationary folding device idea was adopted by both Saco-Lowell and Whitin in their efforts to appropriate the Reynolds invention without paying for it. They so designed and placed their stationary folders as to divert the strand from a straight line and get the same result as was gotten with cascading; and by an equivalent mechanism.

The take-up, disclosed in the second patent (P. 3, col. 2, lines 57-70; DA II, 629) and claimed in combination with folding in Claim 25 was the subject matter of the interference proceeding,

and as will be pointed out hereafter, claim 25 has all the presumptions in its favor resulting from a contested course in the patent office.

The Interference Proceeding

The petitioner, undertakes to show an improper extension of plaintiff's patent monopoly. In doing so it calls attention to the length of time that the application for the second Reynolds patent was pending in the patent office. It fails to call attention to the fact that a considerable portion of this delay was caused by a bitter fight in an interference proceeding in which Saco-Lowell Shops, and the petitioner, combined their forces in an attempt to defeat certain claims of the Reynolds patent. This collaboration persisted particularly after the petitioner had been adjudged not entitled to the claims which it had adopted, and which were first inserted in the Reynolds patent. The correspondence between the attorneys for these two powerful machinery manufacturers combining to fight the Reynolds patent while Saco-Lowell Shops was a licensee under the patent application is set out in the record. (2 App. 356-372).

The four claims of the interference emerged from that proceeding as claims allowable in the Reynolds application, but, by a private demonstration made in the patent office by the attorneys for petitioner after the interference proceeding had been terminated as to it, the patent examiner was persuaded to disallow three of the interference claims. The fourth issued in the Reynolds second patent as Claim 25 and is one of the claims found to be valid and infringed by the courts below. Before this interference proceeding was initiated, petitioner, as found by the courts below, had set out to appropriate the substance of the Reynolds invention while technically avoiding infringement. Its star chamber effort to defeat certain claims in the interference proceeding was but a part of this same project. See the opinion of the Circuit Court of Appeals on this phase of the case.

(R. 9, bottom). So close was the cooperation of petitioner and Saco-Lowell, the plaintiff's licensee, in that effort, that the District Judge, in his opinion, made the following remark: (DA I. 30) "If these manufacturers are competitors, their joint conduct and effort to defeat Reynolds' claims raises a serious question about that competition."

Petitioner's Attempt To Appropriate The Reynolds Invention

Upon ample evidence, the District Court found that on July 1, 1935, the petitioner here employed F. E. Banfield, theretofore Vice-President and Works Manager of Saco-Lowell Shops and shortly thereafter began the development of the devices charged here to infringe the plaintiff's patent; that Banfield, while working in a confidential relationship with Reynolds at Saco-Lowell Shops, had obtained full information as to the principles of the Reynolds invention, including the use of stationary folding devices and that in breach of that confidence he had disclosed that information to the petitioner, and it had been used by the petitioner with guilty knowledge in developing the accused device. (See Findings 21 through 27, 1 App. 36-38)

The petitioner, through its employees Brandt and Schlums, obtained two patents on the devices accused here, which are set out in the record as plaintiff's exhibits (2 App. 402 and 408). A reading of these patents themselves shows that the petitioner adopted the take-up of Reynolds, and that the so-called skew plate, in its relationship with the other elements of the roving frame, is the equivalent of the cascading in the tongued and grooved roll arrangement of Reynolds. See finding 29 (1 App. 38)

The findings of the District Court on infringement were clear-cut and the Circuit Court of Appeals (R. 18) stated: "There can be no question but this constituted infringement of the machine claims, as well as the process claims of the patent."

The conduct of the petitioner established by the findings of fact is deemed material in answer to the petitioner's arguments II (b), page 17 of its brief and V, pages 23 and 24. Here it is the petitioner whose hands are unclean, and whose conduct would preclude resort to equitable remedies or defenses.

Petitioner not only manufactures and sells machinery which is designed solely to practice the process of the Reynolds patent, it also:

- (1) installs such machinery in the mill, (2 App. 108) and
- (2) in connection with such installations operates the roving machines in the mills and therein actually practices the process. (2 App. 351)

Prior Litigation

In addition to the fact that the second Reynolds patent had a long and contested course through the Patent Office, where much of the prior art now relied upon by petitioner was cited against it, the patent has been thoroughly considered by the District Court and the Circuit Court of Appeals in the prior case of *Saco-Lowell Shops v. Reynolds, et al*, 141 Fed. (2d) 587. While Saco-Lowell Shops was a licensee, estopped to deny validity of the patent, it was entitled to, and did, undertake to limit the scope of the patent so as to accomplish the same purpose, and it was, therefore, necessary for the courts in that case to go thoroughly into the question of the prior art and the scope of the Reynolds invention.

Petitioner's Statement of the Extent of the Domination of the Second Reynolds Patent Is Entirely Too Broad

In the statement of its first ground for granting the writ, the petitioner, in the heading, uses the terms "Virtual patent domination of an entire industry". In the body of the statement under this point, this broad statement is somewhat limited in scope.

The petition fails to point out the place of the machinery covered by this invention in the total machinery of a cotton mill. As will appear from the testimony of the defendant's witness, Mr. Merrill, (DA I, 390, et seq.), the roving process involved in this litigation is only one in a series of several processes for the manufacture of cotton yarn. The machines in the order of their use, as stated by Mr. Merrill, are as follows:

- Opening machines
- Pickers
- Cards
- Combers
- Drawing frames
- Roving machines
- Spinning machines

After the cotton yarn is made, the textile industry then weaves it into cloth, involving the following additional operations:

- Spooling
- Warping
- Slashing
- Weaving
- Finishing
- Sizing
- Mercerizing
- Bleaching
- Dyeing
- Printing
- Napping
- Folding

The invention involved here is concerned only with roving, which is one of the processes in the spinning mill.

Moreover, the Reynolds patent does not involve the entire roving machine, but simply the drafting elements thereon, and

the license agreement with Saco-Lowell Shops based the royalty on this part of the machine only.

The patent domination is of a very small segment, only, of the textile machinery manufacturing industry. The public interest involved is insignificant in comparison to the asserted fact in the petition that petitioner and its collaborator in the interference proceeding, Saco-Lowell Shops, control eighty to ninety percent of the industry for building machinery of this type. These two concerns do not limit themselves to roving machines, but, build complete equipment for a spinning mill.

Since this record demonstrates the closeness with which they operate in defiance of respondents' patent, it is fair to assume that they are working in entire harmony in other branches of the trade as well.

Summary of Argument

I. The record makes no case for granting certiorari on the basis of patent domination of an entire, or even a major part of, an industry.

II. No conflict with decisions of this Court.

III. Question stated by petitioner not involved. Case tried on Theory that Claims 15 and 22 are subject to R. S. 4888.

IV. No unlawful extension of the patent monopoly.

V. Decisions of Courts below that process claims were infringed is correct.

ARGUMENT

I.

The Record Makes No Case For Granting Certiorari on the Basis of Patent Domination of an Entire, or Even a Major Part of, an Industry

The petitioner's argument in this respect is based on a wrong premise.

1. Roving machinery as a whole involves only a small part of the total machinery of a cotton spinning mill; and much less proportionally of the machinery of the textile industry. (Ante P. 10)

2. The patent does not purport to cover, and royalties are not based upon the price of, an entire roving frame, but only on the drafting elements, the parts covered by the patent, thereof. (2 App. 155, bottom).

3. Many mills still use the conventional system of roving not covered by the Reynolds patent (2 App. 241).

4. Other mills use Casablancas machines which are not within the patent. (DA 587). Petitioner is free to manufacture them. Petitioner's witness, Mr. West testified in reference to Casablancas "The twister head in my opinion is one of the best condensing devices there is." (DA. 589); and "there is no improvement in the product by the use of the quarter turn guide" (DA. 591-592), and that Clark Thread Company had recently requested ten more frames (Casablancas) in addition to thirty-one already in use and that a total of 12,880 spindles using the Casablancas twister head have been sold (DA 587).

5. Petitioner cites no evidence to support its statement as to the proportion of machinery manufactured by it and Saco-Lowell Shops; but assuming that the statement is correct, it is obvious that roving machinery is a small portion of the whole.

The fact that Saco-Lowell Shops while paying a royalty under the license agreement, while Whitin paid none, has been able to maintain its position as one of the two large builders of this kind of machinery, is an indication that the tribute of this particular patent is an insignificant element in any competition between these two giant machinery builders, and that the public is not affected.

II.

No Conflict With Decisions of This Court

(a) R. S. 4888 Fully Complied With

The claims of the Reynolds patent that were found to be infringed fully comply with the requirements of R. S. 4888.

Petitioner contends that the three mechanical claims 25, 27, and 28, fall within the case of *Halliburton Oil Well Cementing Company v. Walker*, 329 U.S. 1, in which claims were condemned because, as the Court said: "Neither in the specification, the drawing, nor in the claims here under consideration, was there any indication that the patentee contemplated any specific structural alternative for the acoustical resonator or for the resonator's relationship to the other parts of the machine," and because the claims barred anyone from using any device theretofore or thereafter invented which performed the function of catching and recording echoes with regularity.

The *Halliburton* case does not apply to the Reynolds patent because:

(1) The mechanical claims 25, 27, and 28 cover, as was true in the case of *Continental Paper Bag Company v. Eastern Paper Bag Company*, 210 U.S. 405, the physical and operating relationship of all the crucial parts of the novel combination; that is, they cover all the entire assembly of elements that make up the machine for drafting the sliver of cotton into a roving ready

to spin into yarn, and cover the parts of the machine as Reynolds depicted them in his drawings and described them in his specifications.

(2) The claims are to be read in the light of the specifications, and the specifications do disclose the mechanical structure of the invention.

(3) The Reynolds claims do not bar others from using any device heretofore or hereafter invented to perform the same function as the Reynolds invention, and this is conclusively demonstrated by the fact that the Casablancas machine, referred to above, performs the same function as the Reynolds machine, but does it differently by using a false twist. In addition to this, the machines which perform the same function by condensing the sliver of cotton use a principle different from the Reynolds principle in performing the same function that the Reynolds machine performs, although none of these condensing machines have been commercially successful.

The claims involved in this case are clearly valid under the *Continental Paper Bag Company* case, *supra*, and do not fall within the *Halliburton* case, *supra*. The *Continental Paper Bag* case was distinguished and approved in the *Halliburton* case.

We may call attention to the fact that this Court has, at the present term, denied certiorari in at least two cases in which the rule of the *Halliburton Case* was depended upon as a basis of the petition: *A. B. T. Mfg. Co. v. National Slug Rejectors Co.*, No. 506, October Term 1947; *General Motors Corp. v. Kessling*, No. 558, October Term 1947.

As to claim 25, petitioner contends that the part of this claim designated as 4(c), on page 14 of petitioner's brief, is old, but the District Court and the Circuit Court of Appeals found otherwise. Pages 14 and 15, opinion of the Circuit Court of Appeals. This claim is for a combination of elements (1) to fold the

sliver, and (2) to take up the slack in portions of the cross-section of the sliver occasioned by the folding. Folding alone was already a part of the art, being disclosed in the first Reynolds patent. It was folding in combination with the take-up that made claim 25 allowable over the first Reynolds patent.

The form of the claim was based upon the necessity of including in it *all* the elements of the combination, both new and old, so as to set forth completely the entire combination claimed for "drafting fibrous material in strand form". It is, of course, axiomatic in the law of patents that a valid combination may exist, although *all the elements* are severally old.

Claim 25 was originally claim 37 in the application for the second Reynolds patent and was adopted by petitioner in the interference proceeding when petitioner, as owner of the patent on the very device which has been held in this case to infringe the Reynolds patent, was made a party to the interference proceeding. Petitioner contended in the patent office that this claim, as well as the others in the interference proceeding, was unpatentable, because it was anticipated by prior art, *and its skilled and resourceful patent attorneys evidently considered it a valid claim, so far as R. S. 4888 was concerned, at that time.*

Petitioner apparently seeks to create the impression that the Circuit Court did not give proper consideration to its contention that these claims were invalid under R. S. 4888, but the opposite is true, as shown by an examination of the opinion, which sets out the five claims in full, and shows that each was carefully examined and considered.

What we have said above applies to claims 27 and 28, as well as to 25, as the reading of claims 27 and 28 will demonstrate. The subject matter of claims 27 and 28 was asserted in the patent application from the beginning, and the basis for them is found in the specifications.

(b) Claims 27 and 28 Not Invalid Because of Late Filing

Petitioner contends that the opinion of the Circuit Court is in conflict with decisions of this Court, because claims 27 and 28 were inserted in the patent application too late. This is not true, because petitioner had no bona fide intervening rights to be protected, but was a wrong-doer in that it wrongfully acquired knowledge of and wrongfully used the Reynolds invention.

The basis of claims 27 and 28 was laid in the specifications of the application for the second Reynolds patent where it is said, page 4, column 1, line 50 of the patent, (DA II, page 630): "It is contemplated in certain cases to have the groove remain completely at rest at one or more of the locations occupied by Rolls 9, 31, 43, or 51."

In the *Saco-Lowell* case, 141 Fed. (2d) 587, Saco-Lowell Company attacked these claims on exactly the same ground of late filing. In that case, the Court found that the rule of *Webster v. Spliendorf* case did not apply, because Saco-Lowell Company had no bona fide intervening rights to be protected. Saco-Lowell Company did not apply for certiorari.

In this case, as pointed out above, the District Court found that the petitioner wrongfully acquired knowledge of and wrongfully used the Reynolds invention and had no intervening rights to be protected. In its opinion in this case, the Circuit Court said that there were no bona fide intervening rights to be protected, but merely an attempt on the part of the petitioner to perpetrate a wrong by the appropriation of what in equity, good conscience, and common honesty belongs to respondents.

In view of the findings of fact in the District Court, affirmed by the Circuit Court of Appeals and supported by ample evi-

dence, there are no intervening rights of the petitioner, and the case was properly held governed in that respect by the decisions of the Supreme Court in the following cases:

Overland v. Packard, 274 U.S. 417

Crown Cork & Seal Co. v. Gutmann Co., 304 U.S. 159

General Talking Pictures Corp. v. Western Electric Co., 304 U.S. 175

III.

Question Stated By Petitioner Not Involved. Case Tried On Theory That Claims 15 and 22 Are Subject To R. S. 4888

Petitioner contends that there is a question in this case as to whether "mechanical method" claims are subject to the requirements of R. S. 4888. There is no such question in the case, and it was not raised in either of the lower Courts.

Claims 15 and 22 are the claims which petitioner seeks to characterize as "mechanical method" claims. Throughout this litigation, both in the District Court and the Circuit Court of Appeals, these claims were treated as process claims. Respondents have never contended that the provisions of R. S. 4888 do not apply to these claims as process claims, and the case was tried on the theory that the statute does apply to them.

The patent statutes contemplate that a patent may be given on an art, R. S. 4888 and R. S. 4892. R. S. 4892 refers to the "first inventor or discoverer of the art . . . for which he solicits a patent". It is settled law that "art" means "process"; that is, that patents on process are permitted.

The Circuit Court in its opinion did not apply any "lower standard of definiteness" to these process claims than to the other claims. There being nothing in the opinion to the contrary,

it must be assumed that the Court applied exactly the same standard of definiteness to process and mechanical claims, bearing in mind that in the case of process claims R. S. 4888 must, of necessity, be applied without reference to specific instrumentalities.

A machine may be described in a patent whose function it is to do the acts described in the process, and this does not render the process claim functional. *Waxham v. Smith*, 294 U.S. 20.

A process for purely mechanical operations under the established law is patentable. *Expanded Metal Company v. Bradford*, 214 U.S. 366.

The inventor of a process is entitled to broad claims which define the invention without reference to specific instrumentalities. *Smith v. Snow*, 294 U.S. 1.

IV.

No Unlawful Extension of the Patent Monopoly

Petitioner bases its argument under heading IV on the premise that the second Reynolds patent discloses nothing but a minor structural difference from the machine of the first patent and that the accused machine does not utilize that difference.

This involves factual assumptions which are incorrect and expressly found against the Petitioner by both lower Courts on ample evidence.

The District Court found in effect, and the Circuit Court agreed, that the second Reynolds patent added to the first Reynolds patent two new concepts with practical means for using them (R. 13); that these new concepts and means converted failure into success (R. 13); that they are covered by process and mechanism claims in the second patent (R. 14); that the petitioner's machines utilize the concepts and incorporate equiv-

alents of the mechanism (R. 8); and that the petitioner's devices infringe the claims. (R. 16)

These were questions of fact. The petitioner does not undertake to show that the findings were unsupported by substantial evidence. In the absence of such showing the Supreme Court will not review the findings.

Coupe v. Royer, 155 U.S. 565

United States v. Esnault-Pelterie, 303 U.S. 26

In the face of evidence elicited from its own witnesses (for instance 2 App. 239-240); evidence on behalf of plaintiffs; petitioner's improvement records and advertising matter (ante P. 6); the findings of the District Court; and the findings of the Circuit Court; all to the effect that the invention of the second patent constituted a great step forward in the art; petitioner persists in the assertion that the improvement is a minor structural one. In the face of equally strong evidence and findings on infringement, petitioner persists in the assertion that it does not infringe.

These assertions of the petitioner are without foundation. They are the basis of petitioner's citation of authority. The authorities are as inapplicable as the assertions of fact are unfounded.

V.

Decision of Courts Below That Process Claims Were Infringed Is Correct

Petitioner contends that this Court should review the decision of the Circuit Court on the ground that the Court erroneously held that petitioner infringed the two process claims 15 and 22, because petitioner does not use the process. This point was brief-

ly mentioned by petitioner at page 71 of its main brief. The Circuit Court in its opinion discussed the process claims and held that they were infringed. It did not mention the exact point made by petitioner here, to-wit, that petitioner does not use the machines in manufacturing cotton roving, but this does not mean that the Court did not consider the point, because it was not practicable for the Court to discuss all of the minutiae of controversy mentioned in the briefs, since, as the District Judge said: "Every inch has been hotly contested by brilliant counsel, who have injected into this case virtually *the entire works of patent law.*" (See footnote on p. 21 of petitioner's brief.) Besides, it will be presumed,—in the absence of proof to the contrary, and there is none,—that petitioner tried out its machines before and at the time of installing them; and in doing so, must have practiced the methods for which the machines were designed.

There was evidence to the effect that petitioner actually *used* the infringing device for the purpose of making cotton roving. Petitioner's records show that it installed a roving frame containing the infringing device at Interlaken Mill and had operated it for the purpose of making cotton roving for six weeks at the time the record was made; and operated the infringing device for the purpose of making cotton roving at J. & P. Coats for a time, the duration of which is not shown. (2 App. 351).

Petitioner manufactures, sells, and installs machines to manufacture cotton roving, in which is included the mechanism that, according to the Courts below, infringes the Reynolds second patent. Such machines can be used for no purpose whatever other than the manufacture of cotton roving. Petitioner, in order to induce mills to buy this machine for the purpose of manufacturing roving, advertised its virtues highly to the trade. (2 App., 8-13). The Court found direct infringement as to the three mechanism claims 25, 27, and 28, and therefore, these machines are susceptible of no use whatever except infringing use.

The doctrine of contributory infringement is settled beyond question and there could be no clearer example of contributory infringement. The Circuit Court held that the process claims were infringed, and it was unnecessary for the Court to characterize the infringement either as direct or contributory.

In the District Court the petitioner itself asked for a declaratory judgment on both validity and infringement. Validity and infringement having been established pursuant to petitioner's request for a ruling on both, it is better, as a practical matter, to hold the manufacturer responsible at the source, and thus stop the sale of machines capable only of infringing use, than to compel respondents to sue all the mills that purchase such machines.

Furthermore, the granting of the writ on this sole ground would accomplish nothing because, if it should be held that the Circuit Court was in error on this point alone, the holding of the Circuit Court to the effect that respondent infringes mechanism claims 25, 27 and 28 would stand, and would require affirmance of the judgment.

The case of *Mercoïd Corporation v. Mid-Continent Investment Company, et al*, 320 U.S. 661, has no application here. That case holds that when the doctrine of contributory infringement comes in conflict with the public policy against monopolies not protected by patents, public policy will prevail to such an extent that the owner of the patent will not be permitted to use the same to obtain a monopoly on unpatented and unpatentable articles. The doctrine of the Supreme Court is that one who undertakes to use a patent for the purpose of obtaining a monopoly on unpatented articles will be denied relief because he does not come into Court with clean hands. It has never been claimed that respondents came into court with unclean hands. Under the

findings of the District Court, affirmed by the Circuit Court, the defendant is the only one tainted with unclean hands, in the wrongful use of confidential information.

Conclusion

It is respectfully submitted that the petition should be denied.

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